

## Linking the cause to the policy solution

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Hypothesised cause	Results	Extent to which this is specific to youth	Intervention	Anticipated Intervention Impact	Difficulty of implementation
<b>Inadequate economic growth and aggregate demand</b>	Insufficient job creation: Job rationing allows employers to be more selective in hiring choices, placing greater emphasis on education and prior work experience.	<b>Low</b> but since youth may lack work experience and required skills, may be disadvantaged. At same time, it is relatively easier to fire younger workers with less job tenure than older workers.	Stimulate economic growth via macroeconomic and industrial policy	Dependent on growth rate achieved and elasticity of labour demand	<b>Difficult</b> , involving significant time lags, and subject to global developments
<b>High labour costs and labour market rigidities</b>	Inadequate labour-intensive production resulting in fewer employment opportunities	<b>Low</b> but since youth may lack work experience and required skills, may be disadvantaged. At same time, it is relatively easier to fire younger workers with less job tenure than older workers.	Subsidise cost of labour e.g. wage or employment subsidy schemes for youth	<b>Low to moderate</b> , especially for wage-subsidies to employers	<b>Difficult</b> ; may involve significant administrative burdens reducing efficacy and take-up rates by firms
			Relax labour market regulations, especially during probationary period	<b>Moderate to high</b>	<b>Moderate to difficult</b> ; requires agreement by unions and legislative changes
			Restructure bargaining council agreements to facilitate flexibility	<b>Moderate</b>	<b>Moderate to difficult</b> ; requires agreement by unions and business

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<b>Inadequate core skills and education</b>	<ul style="list-style-type: none"> <li>• Employability increases with educational attainment, esp. tertiary training</li> <li>• Matric with Maths &amp; Science increasingly not meeting minimum requirement</li> <li>• Poor educational quality (real or perceived) encourages early exit from school by learners, and ratcheting up of minimum qualifications by employers</li> <li>• Increases competition with foreign migrants for jobs</li> </ul>	<p><b>High.</b></p> <p>Current educational quality perceived to be low by employers</p>	Implementation of GEC for exit after Grade 9 to improve labour market signaling)	<b>Moderate to large</b>	<b>Moderate</b>
			Improve incentives to remain in school and complete matric –achieved through GEC and/or matric, but will also occur via signaling from competition for jobs in labour market	<b>Moderate</b>	<b>Moderate</b>
			Improve school quality	Depends on extent to which reform deemed credible	<b>Difficult</b>
			Consider role of teachers and schools in providing base for core curricula, with supplemental after-school programmes run by NGOs.	<b>Moderate to high</b>	<b>Moderate</b>
<b>Limited job related skills</b>	Skills mismatch incl. trade-off between investment in general vs. job specific skills; exacerbated by lack of role models and insufficient exposure to wide range of careers for school-going youth	Current youth generation seek employment in economy that favours high-skill workers	Increase post-school training opportunities (subsidize training costs; revisit learnerships and apprenticeships to enhance effectiveness; improve mechanisms to ensure flow of funds from NSF through SETAs and community channels)	<b>Large</b>	<b>Moderate</b>
			Link educational curricula to needs of private sector, both in terms of job-specific skills and to ensure skills attained by learners match job vacancies.	<b>Moderate</b>	<b>Moderate</b>
			Also need to improve basic literacy, numeracy and life skills and basic comprehension.	<b>Moderate</b>	<b>Moderate</b>
			Increased role for job placement centres, adult basic education centres and youth organisations in providing work readiness skills; enhance visibility and information about these organisations; consider vouchers/subsidies to finance placement costs of work-seekers	<b>Moderate to high</b>	<b>Low to moderate</b> (since institutions already exist)

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<b>High job search and placement costs, and inadequate information about labour market opportunities</b>	<ul style="list-style-type: none"> <li>• Reliance on passive search (network contacts esp. friends and relatives) as opposed to active search; limits information about potential jobs</li> <li>• Potential employers and employees unable to connect effectively in low cost way to advertise available jobs or skills</li> </ul>	<b>Medium,</b>  although youth may be less financially and geographically mobile than adults, and their networks may be less developed.	Increased role for job centres and youth employment organisations; improve information about these organisations and enhance visibility	<b>Moderate to high</b>	<b>Low to moderate</b>
			Increased role for placement agencies, possibly through provision of voucher to finance costs of placement	<b>Moderate to high</b>	<b>Low to moderate</b>
			Reduce financial costs of job search through transportation subsidies for youth (e.g. photo IDs allowing free access to public transport)	Inadequately evaluated in the literature, but anticipated effect is <b>moderate</b>	<b>Moderate to difficult</b>
			Programmes to improve geographical mobility to access employment	<b>Low</b>	<b>Difficult;</b> costly and involves significant time lags
<b>Lack of job market experience</b>	<ul style="list-style-type: none"> <li>• With static labour demand and increased labour supply, employers place greater weight on prior job experience.</li> <li>• Inadequate opportunities to decide on a career path, or learn work-readiness skills</li> </ul>	<b>High.</b>  Youth relatively disadvantaged	Programmes to encourage part-time employment for school-going youth e.g. internships.	Inadequately evaluated in the literature, but anticipated effect is <b>moderate to high.</b>	Inadequately evaluated in the literature, but anticipated to be <b>moderate.</b>
			Subsidise cost of youth workers through wage or employment subsidies	<b>Low to moderate,</b> especially for wage-subsidies to employers	<b>Difficult;</b> may involve significant administrative burdens reducing efficacy and take-up rates.
			Increase training opportunities and provision of counseling services to improve work-readiness skills (through accredited agencies and through easing access to NSF funds)	<b>Moderate to large</b>	<b>Moderate</b>
			Encourage participation in voluntary organisations and services as a way of gaining experience and life skills	<b>Low</b>	<b>Low</b>

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<b>Unrealistic wage expectations</b>	<ul style="list-style-type: none"> <li>• Evidence in support of this hypothesis is thin.</li> <li>• Survey respondents report they are unemployed because they cannot find work, not that they refuse work because wages are too low</li> <li>• Evidence concerning access to pension income is mixed: some suggests that access to pension income encourages active job search through out-migration.</li> </ul>	<b>Low</b>	Improve counseling programmes at schools so youth have better information about employment and wage prospects.	<b>Moderate</b>	<b>Low</b>
<b>Unrealistic job expectations</b>	Lack information about kinds of jobs in high demand by private sector May result in qualifications in wrong area	<b>High</b>	Improve counseling programmes at schools so youth have better information about employment and wage prospects. Feed private sector demands and needs re expertise directly into school curricula Revisit learnerships with a view to encouraging career trajectories, as opposed to stipend maximisation	<b>Moderate</b>	<b>Low</b>

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<b>Cost of taking a job too high (e.g. transport costs &amp; childcare costs exceed expected wage)</b>	<ul style="list-style-type: none"> <li>• Work-seekers may refuse available low wage jobs because the associated transport and childcare costs exceed the wage, making it unaffordable</li> </ul>	<b>Low</b>	Integrated subsidised transport system; subsidised childcare	<b>Moderate</b>	<b>Moderate to high</b>
<b>Inadequate health status, esp. high HIV prevalence</b>	<ul style="list-style-type: none"> <li>• Lowers employment prospects due to higher absenteeism, and lower productivity.</li> <li>• May also hinder active job search</li> </ul>	<b>High:</b>  incidence of HIV amongst youth make this high impact for youth, especially young women	Ensure access to ARVs, support and counseling, with emphasis on prevention.	<b>Moderate to high</b>	<b>Moderate</b>
			Increase care dependency grant, to free up time of youth trapped in caregiving obligations to search for work	<b>Inadequately evaluated but anticipated impact low to moderate</b>	<b>Difficult;</b> involves administrative bureaucracy and expansion of social grant expenditures
<b>Lack of entrepreneurship</b>	<ul style="list-style-type: none"> <li>• Actively discouraged under apartheid; remains inadequate focus of educational curricula.</li> <li>• Preference to be employed by others as opposed to self-employment due to risk aversion and credit constraints</li> <li>• Lack of exposure to role models who have business expertise, especially amongst disadvantaged youth.</li> </ul>	<b>Low</b>	Improve access to credit for youth, combined with entrepreneurship training	<b>Inadequately evaluated but anticipated impact is low to moderate</b>	<b>Inadequately evaluated, but anticipated to be moderate to high</b>
			Provide bailout insurance for youth business initiatives to limit risk	<b>Inadequately evaluated but anticipated impact low to moderate</b>	<b>Inadequately evaluated but anticipated to be moderate to high</b>
			Increase training opportunities and provision of mentoring services (through accredited agencies)	<b>Moderate to large</b>	<b>Moderate</b>